



DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: September 14, 2006
Release Number: IA 10607-01

Contact: Mark Randle
Phone: (916) 735-1500

Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in 66 Iowa counties (plus neighboring counties in Illinois, Minnesota, Missouri, Nebraska and South Dakota) may now apply for low-interest disaster loans from the U. S. Small Business Administration (SBA). These disaster loans offset economic losses because of reduced revenues to farmers and ranchers caused by the drought that occurred in the following 20 primary Iowa counties beginning January 1, 2006, announced Alfred E. Judd, Director of SBA's Disaster Field Operations Center - West.

Primary Iowa counties:

Cerro Gordo	Cherokee	Clay	Crawford	Des Moines
Dickinson	Harrison	Humboldt	Ida	Lee
Lucas	Madison	Monona	Monroe	Montgomery
Plymouth	Sac	Sioux	Woodbury	Worth

Neighboring Iowa counties:

Adair	Adams	Appanoose	Audubon	Buena Vista
Butler	Calhoun	Carroll	Cass	Clarke
Dallas	Davis	Decatur	Emmet	Floyd
Franklin	Fremont	Guthrie	Hancock	Henry
Kossuth	Louisa	Lyon	Mahaska	Marion
Mills	Mitchell	O'Brien	Osceola	Page
Palo Alto	Pocahontas	Polk	Pottawattamie	Shelby
Taylor	Union	Van Buren	Wapello	Warren
Wayne	Webster	Winnebago	Wright	

Neighboring Illinois counties:

Hancock	Henderson	Mercer
---------	-----------	--------

Neighboring Minnesota counties:

Freeborn	Jackson	Mower
----------	---------	-------

Neighboring Missouri counties:

Clark

Neighboring Nebraska counties:

Burt	Dakota	Thurston	Washington
------	--------	----------	------------

Neighboring South Dakota counties:

Lincoln	Union
---------	-------

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4%, a maximum term of 30 years, and are restricted to small businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Mike Johanns declared this disaster at the request of Governor Tom Vilsack.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary's declaration. However, in drought disasters nurseries are eligible for SBA disaster assistance.

For information and application forms, call toll-free (800) 659-2955, or visit SBA's website at www.sba.gov/disaster. Hearing impaired individuals may call (800) 877-8339.

The deadline to apply for these loans is **May 1, 2007**.